

Private Health Insurance in Malaysia: Policy Options for a Public-Private Partnership

Nik Rosnah Wan Abdullah

University of Malaya

Email: nrosnah@um.edu.my

Daniel Ng Kok Eng

University of Malaya

Email: danielng@perdana.um.edu.my

Abstract: Private health insurance has become important in the funding of healthcare in Malaysia. However, there have been rising concerns over the role of the private sector in healthcare financing because of illegitimate and unethical practices. This paper addresses these issues by focusing on the operational aspects of private health insurance to examine whether there are differences in charges between the insured and non-insured patients in Malaysia. The findings are based on an assessment of hospital bills of two groups of private hospitals. The findings of the study show that there is no difference in charges between the insured and the non-insured patients. The findings also show that the private sector has learned to work within the regulatory boundaries so as to be professional in the execution of their services. However, the study points to some informational problems faced by the insured. Although this is an exploratory study and the findings may not enable a conclusive generalization of the practices of private hospitals in Malaysia, it is hoped that inferences can be made by policy makers so as to enable them to design sound and prudent policies on healthcare finance.